

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB 2124

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Lopez

**3. Committee:** Appropriations

**4. Title:** COVID-19; DMAS to deem testing, treatment, and vaccination to be emergency services

**5. Summary:** The proposed legislation directs the Department of Medical Assistance Services (DMAS) to deem testing for, treatment of, and vaccination against COVID-19 to be emergency services for which payment may be made pursuant to 42 U.S.C. 1396b(v) for certain aliens not lawfully admitted for permanent residence.

**6. Budget Amendment Necessary:** Yes, Item 313.

**7. Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021	-	-
2022	\$1,260,648	General Fund
2022	\$1,890,972	Nongeneral Funds
2023	\$1,461,801	General Fund
2023	\$2,192,702	Nongeneral Funds
2024	Indeterminate	
2025	Indeterminate	
2026	Indeterminate	
2027	Indeterminate	

**8. Fiscal Implications:** DMAS assumes that during the public health emergency, the cost of providing testing, treatment and vaccination against COVID-19 for the population addressed in this bill will be paid for by the Health Resources and Service Administration's (HRSA) COVID-19 Uninsured Program. Providers are able to bill directly for testing, treatment, and vaccines for COVID-19 and are not required to confirm immigration status. DMAS assumes the HRSA funds will continue to be available while the case count remains elevated and through the initial round (either one or two doses, depending on the vaccine) of vaccine administration. As such, no fiscal impact for this legislation is assumed until after the public health emergency has ended. For the purposes of this estimate, DMAS assumes that the emergency will end July 2021 and any cost to the Commonwealth would not begin until August 2021.

As there is insufficient data to make an exact determination as to the cost of this bill, the estimated impact is based on assumptions using the best available information. According to the Pew Research Center and the American Immigration Council, there are approximately 275,000 undocumented immigrants in Virginia or 3.25 percent of the population. There is no way to project the number of positive COVID-19 cases in August 2021. DMAS assumes that case counts will decline significantly due to the proliferation of vaccines; however there will likely remain positive COVID-19 cases. As such, DMAS assumes the statewide positive case count will remain at 1,000 per month. Using the proportion of undocumented immigrants, it is further assumed that approximately 33 individuals would be eligible for the new emergency services benefit as provided for in this bill.

Of those newly covered individuals, DMAS assumes all would receive treatment at a cost of \$2,500 each. Further, it is assumed that four percent, or one individual, would result in a hospital stay at an average cost of \$17,335. DMAS expects that 80 percent of the new beneficiaries are expected to be in base Medicaid and the rest in Medicaid Expansion. The new cost of this treatment is estimated to cost \$530,045 (\$212,018 general fund) in FY 2022 (based on 11 months) and \$757,929 (\$303,171 general fund) in FY 2023. Costs in subsequent years are considered indeterminate.

The bill also directs DMAS to cover testing and vaccine administration through emergency services. Unlike hospital stays and treatment plans, tests, especially negative tests, may not result in submitted and paid claims. Emergency services are typically retroactively enrolled for the period of the claim(s) for reimbursement purposes. The difficulty of retroactively enrolling members for a relatively small dollar claim may prevent some providers from pursuing reimbursement and non-citizen Virginians may be more likely to pay out of pocket rather than working to get enrolled for the day of the test and lab work. For those reasons DMAS assumes one percent of the undocumented immigrants in Virginia would be reimbursed through this program each month. DMAS estimates an average sample and lab work costs \$50, and the number of tests covered will decrease from over 5,000 in July 2021 to less than 200 in June 2022. The estimated cost of testing is expected to be \$1,375,000 (\$550,000 general fund) in fiscal year 2022 and \$1,650,000 (\$660,000 general fund) in fiscal year 2023. Costs in subsequent years are considered indeterminate.

Similar to testing, DMAS expects the number of claims for vaccination to be low due to the difficulties of short-term retroactive enrollment. This estimate assumes that vaccination will be an ongoing annual expense, but likely paid out of pocket. Using a 10 percent take up rate for an estimated 275,000 eligible individuals, DMAS expects 27,500 vaccine regimens to be covered each year, with a cost of \$45.33 per person. DMAS expects the cost of vaccines paid through this program to be approximately \$1,246,575 (\$498,630 general fund) each year.

Total estimated expenditures as a result of the bill are \$3,151,620 (\$1,260,648 from the general fund and \$63,032 coverage assessment funds) in fiscal year 2022 and \$3,654,504 (\$1,461,801 from the general fund and \$73,090 coverage assessment funds) in fiscal year 2023.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Medical Assistance Services.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None